



NEWS RELEASE

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FOR IMMEDIATE RELEASE

OVERLAND PARK BUSINESS OWNER INDICTED FOR BANK FRAUD

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that an Overland Park, Kan., business owner was indicted by a federal grand jury today for a bank fraud scheme that forced several low-income homeowners into bankruptcy by saddling them with more debt than they were able to repay. As a result, Graves added, several victims lost their homes to foreclosure.

Harris Poulikidis, 56, of Overland Park, was charged in a nine-count indictment returned by a federal grand jury in Kansas City.

Poulikidis owned and operated a number of home improvement businesses, including U.S. Home Services, Roofing and Siding Plus, and A+ Siding, which provided a variety of home repairs and remodeling. **Poulikidis** also operated a number of mortgage companies, including Olympic Mortgage, C & T Enterprizes of Kansas, and FP Holdings. According to the indictment, **Poulikidis**, through the mortgage companies he operated, arranged financing of home repairs and remodeling projects for clients of his home improvement businesses. **Poulikidis** sometimes arranged not only for payment for home repair and remodeling projects, according to the indictment, but also for refinancing of home mortgages and debt consolidation loans for clients.

The federal indictment alleges that **Poulikidis** executed a scheme to defraud federally insured financial institutions by means of material false and fraudulent pretenses between March 2000 and March 2001. **Poulikidis** allegedly arranged financing of first mortgage loans for home improvement projects through a primary lender, without disclosing that he was also arranging for second (and third) mortgage loans to the borrower on the same property through other lenders. According to the indictment, the existence of the second mortgage loan was significant to the first mortgage lender in evaluating whether the borrower could make the payments required under the mortgage loans. The indictment also alleges that **Poulikidis** sometimes knowingly submitted loan applications with false statements, including material false representations

concerning the amount of income earned by the borrower.

As a result, the indictment alleges, **Poulikidis** caused loans to be made to borrowers who could not afford to make the payments required under the loans, commonly resulting in losses to the financial institutions, foreclosure on the homes, and bankruptcy of the borrowers.

Count One of the federal indictment alleges that **Poulikidis** caused a homeowner to obtain a \$36,000 loan from Fremont Investment and Loan in Anaheim, Calif., on March 27, 2000, to refinance an existing mortgage on the home and to provide approximately \$19,350 for home improvements. The next day, **Poulikidis** allegedly caused the homeowner to obtain a second mortgage from Roofing & Siding Plus in the amount of \$5,000. The second mortgage loan was sold to another financial institution, First Mutual Financial in Painesville, Ohio, without disclosing the first mortgage from Fremont Investment and Loan. The loan application to Fremont Investment and Loan did not disclose the second mortgage application and loan being sought from Roofing & Siding Plus, so that Fremont Investment and Loan did not know there was going to be a second mortgage on the property.

Poulikidis allegedly caused a loan application to Fremont Investment and Loan on behalf of the homeowner to falsely represent the total indebtedness on the homeowner's property, to induce Fremont Investment and Loan to make the mortgage loan. As a result of those transactions, which the indictment says resulted in more debt than the homeowner was able to pay, she has filed for bankruptcy and has lost her home through foreclosure.

Count Two of the federal indictment alleges that **Poulikidis** caused another homeowner to obtain a \$68,800 loan from Fremont Investment and Loan on Sept. 14, 2000, to refinance an existing mortgage and to provide approximately \$17,300 for home improvements. **Poulikidis** allegedly told the homeowner that part of the proceeds of this loan were to be used to pay off existing debts, but failed to pay off these debts from the proceeds of the loan as promised.

On Sept. 19, 2000, **Poulikidis** allegedly caused this homeowner to obtain a second mortgage in the amount of \$15,000 from Roofing & Siding Plus, partially as a debt consolidation loan. That loan was later sold to First Mutual Financial. The loan application to Fremont Investment and Loan in connection with the first mortgage did not disclose the second mortgage application and loan being sought from Roofing & Siding Plus. As a result, the indictment says, the homeowner had a first mortgage, a second mortgage, and the existing debts which were supposed to have been paid out of the loan proceeds. According to the indictment, those transactions resulted in more debt than the homeowner was able to pay, and he has filed for bankruptcy.

Count Three of the federal indictment alleges that **Poulikidis** caused a homeowner to obtain a \$61,500 loan from Fremont Investment and Loan on June 2, 2000, to refinance an existing mortgage and to provide approximately \$19,350 in home improvements. On the same day, **Poulikidis** allegedly caused the homeowner to obtain a second mortgage loan from Roofing & Siding Plus for \$9,000, which was later sold to First Mutual Financial.

According to the indictment, the loan application to Fremont Investment and Loan in connection with the first mortgage did not disclose the second mortgage application and loan being sought from Roofing & Siding Plus. The indictment also alleges that **Poulikidis** caused the loan application to Fremont Investment and Loan to falsely inflate the amount of income earned by the homeowner in order to induce the lender to make the loan.

Count Four of the federal indictment alleges that **Poulikidis** caused homeowners to obtain a loan from Fremont Investment and Loan on Sept. 25, 2000, in the amount of \$61,200 to refinance an existing first mortgage and an existing second mortgage. According to the indictment, the second mortgage loan had been taken out in connection with home improvements by Roofing & Siding Plus in 1999, but the homeowners had been unable to make payments on the loan. On the same day, the indictment alleges, **Poulikidis** caused the homeowners to obtain a \$4,500 second mortgage from Roofing & Siding Plus, which was later sold to First Mutual Financial. The loan application to Fremont Investment and Loan for the first mortgage did not disclose the second mortgage loan being sought from and obtained from Roofing & Siding Plus.

According to the indictment, as a result of those transactions, which resulted in more debt than the homeowners were able to pay, they have filed for bankruptcy and have lost their home through foreclosure.

Count Five of the federal indictment alleges that **Poulikidis** caused a homeowner to obtain a first mortgage loan from Fremont Investment and Loan on March 21, 2000, based on a false and fraudulent loan application which contained material false statement concerning the income of the homeowner and her job position (which was not shift supervisor but temporary bag stuffer). According to the indictment, as a result of that transaction, which resulted in more debt than the homeowner was able to pay, she lost her home through foreclosure.

Count Six of the federal indictment alleges that **Poulikidis** caused a homeowner, who was a subcontractor who did work for Roofing & Siding Plus, to obtain a mortgage loan from Fremont Investment and Loan on July 20, 2000, to purchase property. On the same day, the indictment alleges, **Poulikidis** caused the homeowner to obtain a second mortgage loan of \$13,000 from U.S. Management and a third mortgage loan of \$15,600 from Roofing & Siding Plus, both companies controlled by **Poulikidis**. That loan was later sold to First Mutual Financial.

According to the indictment, the loan application to Fremont Investment and Loan contained a material false representation concerning the nature of the employment of the borrower, stating that he was an employee of Roofing & Siding Plus when he was actually a subcontractor who did work for the company. The second and third mortgage loans were not disclosed to Fremont Investment and Loan, the indictment alleges. As a result of those transactions, which resulted in more debt than the homeowner was able to pay, he lost his home through foreclosure.

Counts Seven, Eight and Nine of the federal indictment allege that, in three of the instances alleged in the indictment, **Poulikidis** caused the homeowner to travel across the state

line in connection with the fraud scheme.

Graves cautioned that the charges contained in the indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case was prosecuted by Assistant U.S. Attorney J. Daniel Stewart. It was investigated by the Department of Housing and Urban Development, Office of the Inspector General, and the Federal Bureau of Investigation.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow